



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday, January 30, 2007

Major Developments

Update: Fire Damage Cuts Production at Valero's 230,000 b/d Texas City Refinery

Valero reported yesterday that gasoline production at its 230,000 b/d Texas City refinery will be reduced by 67,500 b/d and distillate production will be reduced by 40,000 b/d due to the fire Sunday. The fire forced Valero to shut down one of its crude units, the 85,000 b/d fluid catalytic cracking unit and the 15,000 b/d alkylation unit. Valero estimates repairs may take three weeks to complete.

<http://www.click2houston.com/news/10877980/detail.html>

<http://www.valero.com/Visit+Our+Refineries/Texas+City>

Electricity

Update: Dominion's 1,155 MW Millstone Nuke Unit in Connecticut Restarts January 29

The unit exited an outage and ramped up to 18 percent of capacity Monday.

Reuters, 16:50 January 30, 2007

So Cal Edison's 1,070 MW San Onofre Nuke Unit 2 in California Reduced January 28

The company reduced power output from the reactor to 84 percent of capacity due to a condenser tube leak.

Bloomberg News, 17:03 January 30, 2007

Update: PSEG's 1,049 MW Hope Creek Unit in New Jersey Shut Again January 29

The unit shut late Monday after exiting an outage earlier in the day. The company began restarting the unit earlier on Monday after shutting it January 26 to replace a reactor recirculation pump seal and repairing an unrelated pipe.

Bloomberg News, 14:33 January 30, 2007

Update: Constellation's 585 MW Ginna Nuke Unit in New York Ramps Up January 29

The unit exited an outage and ramped up to 50 percent of capacity Monday.

Reuters, 16:50 January 29, 2007

Update: TXU's 750 MW Martin Lake Coal-fired Unit 3 in Texas to Restart January 30

The company will restart the unit January 30, after taking it out of service January 29 to fix a tube leak.

Reuters, 07:52 January 30, 2007

Update: AEP's 690 MW Oklaunion Coal-fired Unit in Texas Shut January 29-31

The company shut the unit January 29-31 due to an overheating problem in the generator. The unit had been expected to exit an outage from January 27-30 to fix a tube leak.

Reuters, 07:58 January 30, 2007

AES's 496 MW Redondo Gas-fired Unit 8 in California Shut January 29

Reuters, 10:20 January 30, 2007

AES's 332 MW Alamosa Gas-fired Unit 3 in California Shut January 29

Reuters, 10:20 January 30, 2007

OPG's 490 MW Nanticoke Coal-fired Unit 7 in Ontario Shut January 30

The company shut the unit for short-term work.

Reuters, 08:08 January 30, 2007

US FERC to Hold Workshops on New Regulations for Siting Interstate Transmission Lines

The workshops were announced on January 26 by FERC. They will be held at different locations around the country from February 13 through March 14, 2007. The purpose is to explain the new regulations to stakeholders

<http://www.ferc.gov/EventCalendar/Files/20070129184300-workshops.pdf>

<http://www.platts.com/Electric%20Power/News/6342967.xml?p=Electric%20Power/News&sub=Electric%20Power>

TVA to Build Two New Nuclear Reactor Units and Restart a Mothballed Unit

TVA May Also Complete – the Unfinished Watts Bar Unit 2

TVA is submitting applications this year to build two new reactors under the new streamlined licensing procedures.

TVA also plans to restart its oldest reactor (Browns Ferry Unit 1) which has sat idle since 1985. By August TVA will decide whether to restart work on the unfinished Unit 2 reactor at Watts Bar. TVA would have 4 additional reactors on line if all of these plans were implemented.

<http://www.tfponline.com/QuickHeadlines.asp?sec=1&URL=http%3A%2F%2Fepaper%2Etfponline%2Ecom%2FWebChannel%2FShowStory%2Easp%3FPath%3DChatTFPress%2F2007%2F01%2F28%26ID%3DAr00101>

Video is available with this story at www.timesfreepress.com

<http://www.epa.gov/fedrgstr/EPA-IMPACT/2003/January/Day-24/i1637.htm>

Petroleum

Small Coker Fire at Chevron's 260,000 b/d El Segundo Refinery in California January 29

According to Chevron, operations at the plant returned to normal Tuesday after a small fire was extinguished in a coking unit late Monday night. The fire was caused by a back-up in the B furnace of the coking unit.

Reuters, 13:05 January 30, 2007

Bloomberg News, 13:31 January 30, 2007

Tesoro Reports Unusually High Spring Maintenance Outages at U.S. Refineries

On Monday the Chief Economist of Tesoro stated that the amount of U.S. distillation capacity that will be down this spring for planned maintenance at U.S. refineries is three-and-one-half times higher than last year.

<http://www.platts.com/Oil/News/6342976.xml?p=Oil/News&sub=Oil>

Texas Regulators Cancel FCC Expansion Application at Citgo's 156,000 b/d Corpus Christi Refinery in Texas

Earlier this month the Texas Commission on Environmental Quality cancelled an application by Citgo to expand the 71,500 b/d fluidic catalytic cracking (FCC) by 3,500 b/d. The Commission canceled the application after Citizens for Environmental Justice, a local activist group, contested the expansion on the grounds that Citgo did not explain why an emission-reducing wet gas scrubber could not be economically installed on the FCC.

Reuters, 16:45 January 30, 2007

Update: Venezuela Extends 4-Month Gasoline Export Stoppage to U.S.

According to industry sources, state-owned oil company PdVSA has failed to load two gasoline and one RBOB cargoes scheduled for export the United States at the end of January. Venezuela has now failed to export any gasoline to the United States for a fourth straight month. After suffering a series of operational problems in 2006, PdVSA informed buyers in United States of the gasoline export stoppage. Gasoline exports from Venezuela have been limited to small cargoes to the neighboring Caribbean countries.

Reuters, 16:50 January 30, 2007

Crude Runs Cut at PdVSA's 200,000 b/d Puerta La Cruz Refinery in Venezuela

According to PdVSA, crude oil processing at the atmospheric crude distillation unit (CDU) had been reduced due to the shutdown of a catalytic cracking unit.

Reuters, 18:08 January 29, 2007

TransCanada Begins Open Season for Keystone Pipeline Expansion and Cushing Extension

TransCanada Corporation today announced the start of a binding open season for an expansion and extension of the proposed Keystone Oil Pipeline, which will flow from Alberta Canada to the U.S. Midwest. The project will expand the proposed Keystone Pipeline capacity from 435,000 b/d to 590,000 b/d and extend the U.S. portion of the pipeline 291 miles from the Nebraska/Kansas border to the refining and terminal hub near Cushing, Oklahoma. The project is targeted to be in-service in the fourth quarter of 2010.

Reuters, 09:03 January 30, 2007

Output to Fall Faster Than Expected From Mexico's Giant Cantrell Oil field

According to a Pemex source, production from Mexico's aging Cantrell oil field, the world's largest offshore oil field, is expected to decline faster than previously anticipated. Internal Pemex forecasts show output from the field dropping to 1.5 million b/d or lower this year. At the beginning of 2006, Cantrell pumped nearly 2 million b/d.

Reuters, 20:14 January 29, 2007

Natural Gas

U.S. MARAD Approves Suez SA's Neptune LNG Terminal Off Massachusetts Coast

The U.S. Maritime Administration (MARAD) has approved Suez SA to build its proposed 400 MMcf/d Neptune liquefied natural gas (LNG) import terminal off the coast of Massachusetts. The terminal is expected to be completed in 2009.

Bloomberg News, 13:33 January 30, 2007

<http://www.ferc.gov/industries/lng/indus-act/terminals/exist-prop-lng.pdf>

California Public Utilities Commission Official Says State Needs More Gas Storage

Sean Gallagher, the energy division director at the California Public Utilities Commission said the State needed more natural gas storage in a Monday interview with NGI.

NGI, *Daily Gas Price Index*, January 30, 2007, <http://intelligencepress.com/>

Other News

Nuclear Plant Operators Not Responsible For Preventing Airplane Attacks - NRC

According to new security plan released Monday, the Nuclear Regulatory Commission (NRC) said that operators of civilian nuclear reactors are required to concentrate on preventing, or at least limiting, radiation from escaping and developing good evacuation plans in the event that an airplane penetrates a reactor. However, the NRC rejected suggestions that nuclear plant operators build metal nets or have anti-aircraft guns ready to shoot down incoming planes, saying that it is unreasonable that a civilian guard force could prevent such an attack. The NRC said that the responsibility for preventing airborne attacks belongs to the military, the Federal Aviation Administration and the Transportation Security Administration. The NRC says that studies show that an airborne attack against a nuclear power plant is highly unlikely.

http://www.yorkdispatch.com/nationworld/ci_5118436

STB Prohibits Misleading Rail Fuel Charge Practices

The Surface Transportation Board on Friday January 26 concluded its inquiry into railroad fuel surcharge practices by issuing a final rule declaring it an unreasonable practice for railroads to compute fuel surcharges in a manner that does not correlate with actual fuel costs for specific rail shipments. In its decision, the STB prohibits the assessment of fuel surcharges based on a percentage calculation of the base rate charged to freight railroad customers. The decision also prohibits "double-dipping"--applying to the same traffic both a fuel surcharge and a rate increase based on a cost index that includes a fuel component. Finally, the Board is proceeding with a proposal to monitor the fuel surcharge practices of the rail industry by imposing mandatory reporting requirements on all large (Class I) railroads.

http://www.stb.dot.gov/_85256593004F576E.nsf/0/606420C7F58066458525726F0059A591?OpenDocument

Energy Prices

U.S. Oil and Gas Prices January 30, 2007			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	56.64	52.32	68.35
NATURAL GAS Henry Hub \$/Million Btu	7.35	7.53	8.35

Source: Reuters

Energy Notes

10,000 Juneau, Alaska residents Lost Power for 45 Minutes January 28 after an Eagle Crashed into Transmission Lines

<http://www.cnn.com/2007/US/01/29/eagle.power.ap/index.html>

Propane Tank Explodes, Levels West Virginia Gasoline Station

<http://www.cnn.com/2007/US/01/30/gas.station.blast.ap/index.html>

Refiners Worried About Nigerian Oil Supply Disruptions as April Elections Approach – Analysts

Reuters, 12:51 January 30, 2007

Venezuelan Congress to Give Chavez New Rule-by-Decree Powers for Oil and Gas Nationalization

http://biz.yahoo.com/ap/070129/venezuela_chavez_oil.html?.v=2

Russia Energy Ministry to Propose Limiting Foreign Involvement in ‘Strategic’ Oil and Gas Fields

Reuters, 08:11 January 30, 2007

Strong Winds Suspend Loading at North Sea’s Sullom Voe Oil Terminal

Bloomberg News, 05:39 January 30, 2007

Update: Turkey’s Bosphorus Strait Reopened to Large Tankers as Weather Improves January 30

Reuters, 04:43 January 30, 2007

BP’s 150,000 b/d Azerbaijan-Georgia Pipeline to Stay Shut for Foreseeable Future

Bloomberg News, 10:14 January 30, 2007

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/index.aspx>.

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